

Interview: Omar Luqmaan Harris - General Manager Pharma, GSK Indonesia

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Omar Luqmaan Harris, GM at GSK Indonesia, discusses the commitment of the Indonesian affiliate to the global organization's mission, as well as their focus on being the

best place to work, with the highest patient focus, and the best customer engagement.

Mr. Harris, what have been your main areas of focus and priorities since your appointment as head of GSK's Indonesia operations in April 2015?

Indonesia, like most emerging markets, has been growing very quickly over recent years. Aligned with this, GSK Indonesia has been the second fastest-growing affiliate within the region in its pharmaceutical business. My primary mission is to ensure that our operations in both pharmaceuticals and vaccines remain at the forefront of regional performance in terms of growth.

Could you expand on your biggest accomplishments during this period?

My biggest accomplishment has been to successfully restructure our internal organization to align our affiliate with our four corporate pillars in Indonesia: being not only the best place to work, but also being the best patient-focused entity, the best customer engagement company, and having the highest reputation among our external stakeholders, particularly the government. We have made significant advancements so far and we certainly aim to be the first company in all of them. Nonetheless, there is still room for improvement.

On that note, where does the Indonesian affiliate stand concretely?

We are currently positioned in the Top 9 among multinational pharmaceutical companies and in the Top 22 in the overall pharmaceutical market. It is important to mention that local players dominate more than 75 percent of the pharmaceutical value in Indonesia but we benchmark ourselves more to MNCs as locals are mostly playing in the generics field, which is not where our portfolio competes.

We currently have around 700 professionals in customer-facing roles for both our pharmaceutical and vaccines business units. Overall, we have more than 1,100 employees across our three

business units — pharmaceuticals, vaccines, and consumer healthcare — as well as our two manufacturing sites.

Can you expand on the affiliate's performance?

MNCs exponentially grew their size from 2010 to 2014 with rates that were drastically above the market average. GSK for example doubled its size during this period. However, due to the implementation of the universal healthcare coverage (JKN) in Indonesia, we have had to reshape our growth targets accordingly.

In 2016 we grew our business above the pharmaceutical market average with a turnover up to GBP 90 million (USD 117 million). Indeed, we are always aiming to grow faster than the industry average, which is around 12 percent, and we expect that level of performance for 2017. Evaluating Indonesia from a regional standpoint, the country has strong potential in the mid and long run. We are currently the second smallest affiliate within the APAC region but we expect to be moving up in the upcoming years; especially considering the growth, size and development of the Indonesian market.

Indonesia is one of the fastest growing pharmaceutical markets within the region and expected to double its size by up to USD 12 billion by 2020. How is this reflected in your ambitions in Indonesia?

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The public market has increased its size incredibly with 50 percent growth last year as a consequence of the implementation of JKN back in 2014. However, the private market, which used to be the main driver of growth, has been slightly decreasing in size during recent years.

Currently, the private market is the main contributor to our sales, as it is for most of the MNCs in Indonesia. We are in a situation where the public market is the growth driver of the Indonesian industry and we are not getting as much value as we would like.

Digging deeper into the growth projection of the national pharmaceutical industry, most of it is going to be reflected in generics rather than in innovative medicines because JKN fosters non-branded generics as well as there are financial challenges within the social security institution (BPJS). Nonetheless, it is also well known that the government is increasing its focus on treating chronic diseases in areas such as cardiovascular, diabetes, and oncology. Innovative medicines are the only ones that can effectively target non-communicable diseases. Turning the government vision into a reality however remains a challenge that has not been yet solved — mainly due to financial constraints.

In my opinion, government and industry should collaborate to achieve a win-win situation that enables the industry to participate within JKN and ultimately enlarge the patient access to innovative solutions.

Our ambitions in Indonesia are as follows: we are in a transition where we are carefully assessing both risks and opportunities to find the place where GSK can add value to both the public and private market to successfully drive the affiliate's growth and achieve our performance targets.

You are in charge of both the pharmaceuticals and vaccines business units. What is the breakdown of revenues per division and where do you foresee more growth?

Pharmaceuticals are currently our main contributor, representing 60 percent of our total turnover. However, even though we expect positive performance in both areas, the biggest growth opportunity

in Indonesia is in our vaccines division. GSK can certainly create significant breakthroughs in Indonesia with its vaccines portfolio considering the low rate of vaccination as well as the tremendously growing population but again, market access remains the biggest question mark. It is my job to increase access to our medicines without exposing GSK's sustainability in Indonesia to unnecessary risks.

70 percent of GSK's vaccines go to emerging markets. As the biggest vaccine provider worldwide, can you speak towards the unmet medical needs in Indonesia and the role of GSK in this regard?

GSK certainly has a competitive advantage in its availability to serve the global need for vaccines. Our mission is to increase market access for vaccinations and especially in Indonesia medical education plays a significant role within this frame. In fact, we are already leveraging digital technology to support our education programs in the country.

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There are some inherent challenges in Indonesia such as the implementation of the Halal Law that could negatively impact patients' access to pharmaceutical products, particularly vaccines. Hence, there are several challenges that could make the current vaccination gap even bigger in Indonesia but we are more than open to collaborate with the government and other institutions to turn around the current situation.

GSK has strong portfolio of health solutions to target a range of conditions, including respiratory disease, cancer, heart disease, epilepsy and skin conditions. In which of these therapeutic areas are you positioned strongest?

Our goal is to be the global respiratory leader. We enjoy a leadership role in Indonesia and we have an interesting pipeline to launch in the mid-run that will maintain our positioning moving forward.

When we met Richard Saynor, SVP Classic & Established Products, in Singapore last year, he told us that even though GSK's key medicines have many generic competitors, their reputation among payers, prescribers and patients has and continues to set them apart. How would you assess GSK's product reputation in Indonesia?

The brand equity of our products is tremendous all around the world and our product reputation in the Indonesian market matches that perception. In fact, we have a series of mature medicines in Indonesia that despite generic competitors are still the top products in their respective categories.

GSK has created Public and Private Partnerships (PPPs) with national governments in different countries around the world. How would you like to see this effort evolve in Indonesia?

We believe that we could create strong breakthroughs within the vaccines arena in Indonesia and partnering with the government would certainly scale our impact in this regard. Nevertheless, we are currently assessing the long-term commitment that the government has towards vaccination.

We have total predisposition to become a partner for the government in order to enhance the vaccination status in Indonesia by enlarging access to our solutions.

In general, I would like to highlight that GSK has a strong and long-term relationship with the government and we have demonstrated this in several other ways like expanding our manufacturing capabilities over the years and being one of the leading educators of healthcare professionals in the

market through our digital technology.

If the Indonesian government is looking for partnership to enhance the vaccination scheme in the country, GSK is certainly the best choice. We have the broadest portfolio of medicines in the world and we already have experience in long-term partnerships with national governments.

What is the main objective that you would like to achieve in the upcoming years?

My main and foremost objective is to achieve the number one position in the four aforementioned pillars. I strongly believe that building the best place to work, with the highest patient focus, the best customer engagement, and the highest reputation will position GSK among the top five multinational pharma companies in Indonesia as well as the most trusted partner for the national government.

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